

# STATE OF COLORADO

Bill Ritter, Jr., Governor  
James B. Martin, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department  
of Public Health  
and Environment

December 19, 2008

Byron R. Gale  
EnCana Oil & Gas (USA) Inc. (Paradox Basin)  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

Certified Mail Number: 7007 0220 0001 0156 8557

**RE: Order for Civil Penalty, Number: SP-081219-1**

Dear Mr. Gale:

EnCana Oil & Gas (USA) Inc. is hereby served with the enclosed Order for Civil Penalty ("Penalty Order"). This Penalty Order is issued by the Colorado Department of Public Health and Environment's Water Quality Control Division (the "Division") pursuant to the authority given to the Division by §25-8-608(2) of the *Colorado Revised Statutes*. Payment of the imposed civil penalty should be made in accordance with the methods referenced in the Penalty Order and [Compliance Order on Consent Number: SC-081015-1].

If you have any questions regarding the Penalty Order or the payment method, please do not hesitate to contact Michael Harris of this office at (303) 692-3598 or by electronic mail at [michael.harris@state.co.us](mailto:michael.harris@state.co.us).

Sincerely,

Kristi-Raye Beaudin, Legal Assistant  
Compliance Assurance and Data Management Section  
WATER QUALITY CONTROL DIVISION

cc: Montrose County Health Department & San Miguel County Environmental Health Department  
MS-3 File

ec: Aaron Urdiales, EPA Region VIII  
Jocelyn Mullen, Engineering Section, CDPHE  
Gary Beers, Permits Unit, CDPHE  
David Neslin, COGCC  
Dick Parachini, Watershed Program, CDPHE  
Carolyn Schachterle, OPA

Enclosure(s)



**COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**  
**DIVISION OF ADMINISTRATION**  
**WATER QUALITY CONTROL DIVISION**

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**ORDER FOR CIVIL PENALTY**

**NUMBER: SP-081219-1**

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**IN THE MATTER OF:      ENCANA OIL & GAS (USA) INC.**  
**CDPS PERMIT NO. COR-030000**  
**CERTIFICATION NO. COR-038768**  
**MONTROSE AND SAN MIGUEL COUNTIES, COLORADO**

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This matter having come to my attention as the Designee of the Executive Director of the Colorado Department of Public Health and Environment upon petition for imposition of a civil penalty by the Water Quality Control Division's Compliance Assurance and Data Management Section and pursuant to §25-8-608 C.R.S., I hereby impose a civil penalty in the amount of Thirteen Thousand Three Hundred Thirty Six Dollars (\$13,336.00) against EnCana Oil & Gas (USA) Inc. ("EnCana") for the violations cited in the Compliance Order on Consent between EnCana and the Division, executed on October 15, 2008 (the "Consent Order"). A copy of the Consent Order is attached hereto as Exhibit A and is incorporated herein by reference. The civil penalty shall be paid within thirty (30) calendar days of the date of this Order for Civil Penalty as set forth in the Consent Order. Method of payment shall be by certified or cashier's check drawn to the order of the "Colorado Department of Public Health and Environment," and delivered to:

Michael Harris  
Colorado Department of Public Health and Environment  
Water Quality Control Division  
Mail Code: WQCD-CADM-B2  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

Dated this 19<sup>th</sup> day of December, 2008.

  
Steven H. Gunderson, Director  
Water Quality Control Division  
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

## Exhibit A



### COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT WATER QUALITY CONTROL DIVISION

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**COMPLIANCE ORDER ON CONSENT**

**NUMBER: SC-081015-1**

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**IN THE MATTER OF:    ENCANA OIL & GAS (USA) INC.  
                                 CDPS PERMIT NO. COR-030000  
                                 CERTIFICATION NO. COR-038768  
                                 MONTROSE AND SAN MIGUEL COUNTIES, COLORADO**

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The Colorado Department of Public Health and Environment ("Department"), through the Water Quality Control Division ("Division"), issues this Compliance Order on Consent ("Consent Order"), pursuant to the Division's authority under §25-8-605, C.R.S. of the Colorado Water Quality Control Act ("the Act") §§ 25-8-101 to 703, C.R.S., and its implementing regulations, with the express consent of EnCana Oil & Gas (USA) Inc. ("EnCana"). The Division and EnCana may be referred to collectively as "the Parties."

#### **STATEMENT OF PURPOSE**

1. The mutual objectives of the Parties in entering into this Consent Order are to resolve, without litigation, the alleged violations cited herein.

#### **DIVISION'S FINDINGS OF FACT AND DETERMINATION OF VIOLATIONS**

2. Based upon the Division's investigation into and review of the compliance issues identified herein, and in accordance with §§25-8-602 and 605, C.R.S., the Division has made the following determinations regarding EnCana and EnCana's compliance with the Act and its permit.
3. At all times relevant to the alleged violations identified herein, EnCana was a Delaware corporation in good standing and registered to conduct business in the State of Colorado.
4. EnCana is a "person" as defined under the Water Quality Control Act, §25-8-103(13), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2(73).

5. On August 16, 2005, EnCana initiated construction activities to clear and grade numerous plots of land, and build associated access roads, on property located within a five hundred twenty thousand (520,000) acre combined area of San Juan County, Utah, and Montrose and San Miguel Counties, Colorado, for the drilling and recovery of oil and/or natural gas resources (the "Paradox Basin Field").
6. On August 12, 2005, EnCana applied for Paradox Basin Field coverage under the Colorado Discharge Permit System General Permit, Number COR-030000, for Stormwater Discharges Associated with Construction Activity (the "Permit").
7. On September 13, 2005, the Division provided EnCana Certification Number COR-038768 authorizing EnCana to discharge stormwater from the construction activities associated with the Colorado portion of the Paradox Basin Field to Dry Creek and the Dolores River, under the terms and conditions of the Permit. Certification Number COR-038768 became effective September 13, 2005 and remains in effect until June 30, 2007 or until EnCana inactivates Permit coverage.
8. Dry Creek and the Dolores River are "state waters" as defined by §25-8-103(19), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2(102).
9. Pursuant to 5 CCR 1002-61, §61.8, a permittee must comply with all the terms and conditions of a permit and violators of the terms and conditions specified in a permit may be subject to civil and criminal liability pursuant to §§25-8-601 through 612, C.R.S.
10. On December 19, 2005 and January 4, 2006, a representative from the Division (the "Inspector") conducted on-site inspections of the Paradox Basin Field, pursuant to the Division's authority under §25-8-306, C.R.S., to determine EnCana's compliance with the Water Quality Control Act and the Permit. During the inspections, the Inspector spoke with Paradox Basin Field representatives, conducted a review of the Paradox Basin Field's stormwater management records, and performed physical inspections of a portion of the Paradox Basin Field.
11. Pursuant to Part I. B. 3. a. (1) of the Permit, EnCana was required to minimize erosion and sediment transport from each of its projects. The Permit specifies that structural site management practices may include, but are not limited to: straw bales, silt fences, earth dikes, drainage swales, sediment traps, subsurface drains, inlet protection, outlet protection, gabions, and temporary or permanent sediment basins.
12. Pursuant to Part I. B. 3. a. (2) of the Permit, EnCana was required to implement interim and permanent stabilization practices, including site-specific scheduling of the implementation of the practices. The Permit specifies that site plans should ensure existing vegetation is preserved where possible and that disturbed areas are stabilized. The Permit specifies that non-structural practices may include, but are not limited to: temporary seeding, permanent seeding, mulching, geotextiles, sod stabilization, vegetative buffer strips, protection of trees and preservation of mature vegetation.
13. Pursuant to Part I. B. of the Permit, EnCana was required to implement the provisions of the SWMP.

14. The Division has determined that EnCana failed to implement and/or maintain functional BMPs at the Paradox Basin Field as described in paragraphs 14(a-f) below:
- a. During the December 19, 2005 and January 4, 2006 inspections, the Inspector observed unstabilized soil stockpiles throughout the inspected portions of the Paradox Basin Field. The SWMP described the use of silt fences, hay bales, sediment traps, mulching and straw mats for erosion and sediment control on the disturbed areas of the sites. However, the disturbed stockpile areas had no BMPs in place for erosion and sediment control. Consequently, significant erosion was occurring on the stockpiled soils.
  - b. During the December 19, 2005 and January 4, 2006 inspections, the Inspector observed several constructed roads comprising a network of passageways to the various pad sites at the Paradox Basin Field. No BMPs were observed in place to stabilize the disturbed ditch lines and slopes adjacent to the roads. Consequently, significant erosion of the disturbed slopes and ditch lines was occurring.
  - c. During the December 19, 2005 and January 4, 2006 inspections, the Inspector observed hay bales in place for sediment control at the Hamilton Creek Compressor Station #2. The hay bales were not being maintained, however, as sediment had overwhelmed the controls and was observed discharging beyond the bales.
  - d. During the December 19, 2005 and January 4, 2006 inspections, the Inspector observed disturbed soils along the edges of the constructed well pad sites at the Paradox Basin Field. The SWMP described the use of silt fences, hay bales, sediment traps, mulching and straw mats for erosion and sediment control on the disturbed areas of the sites. However, no BMPs were observed in place at the well pad sites to stabilize the disturbed soils and/or prevent sediment from discharging from the sites.
  - e. During the December 19, 2005 and January 4, 2006 inspections, the Inspector observed muddy, unstabilized soils at the vehicle pad areas of the compressor stations, tank farms and construction sites in the inspected portions of the Paradox Basin Field. Consequently, significant tracking of sediments was observed from these areas of the Paradox Basin Field.
  - f. During the December 19, 2005 and January 4, 2006 inspections, the Inspector observed disturbed slopes at the Hamilton Creek Well Site #36-32 with no BMPs in place to stabilize the disturbed areas. Consequently, significant erosion of the slopes was occurring.
15. EnCana's failure to implement and maintain functional BMPs to protect stormwater quality during construction activities at the Paradox Basin Field constitutes violations of Part I. B. and Part I. B. 3. a. of the Permit.
16. Pursuant to Part I. C. 5. a. of the Permit, for active sites where construction has not been completed, EnCana was required to make a thorough inspection of its stormwater management system at least every 14 days and after any precipitation or snowmelt event that causes surface erosion.

17. Pursuant to Part I. C. 5. b. of the Permit, for sites where all construction activities are completed but final stabilization has not been achieved, EnCana was required to make a thorough inspection of its stormwater management system at least once every month
18. During the December 19, 2005 and January 4, 2006 inspections of the Paradox Basin Field, the Inspector reviewed the Paradox Basin Field's inspection records and determined that EnCana had not been conducting thorough inspections of all disturbed areas. The Inspector determined that EnCana was inspecting the well pad sites, per the requirements of the Permit, however, was not conducting inspections of the various compressor construction sites, tank farms, pipeline areas or access roads.
19. EnCana's failure to properly conduct inspections of its stormwater management system at the Paradox Basin Field constitutes violation(s) of Part I. C. 5. of the Permit.
20. The Division acknowledges that EnCana timely and satisfactorily performed all of the obligations and actions required under the January 31, 2006 Notice of Violation / Cease and Desist Order (Number: SO-060131-1).

#### **EnCana's Position on Alleged Violations**

21. The names of the projects where construction activities relevant to this Consent Order took place are: Andy's Mesa, Hamilton Unit, Southeast Hamilton Creek Unit and Paradox Basin. On March 24, 2005, EnCana submitted a Stormwater Permit Notice of Transfer for the Andy's Mesa area. This Notice informed the Division that the Andy's Mesa area had been acquired in a merger with Tom Brown, Inc., and requested that the pre-existing permit certification held by Tom Brown, Inc. (No. COR-34315) for this area be transferred to EnCana. Construction activities had been initiated by Tom Brown, Inc., within the Andy's Mesa area prior to EnCana's acquisition. On April 11, 2005, EnCana submitted applications for coverage under the General Permit for the Hamilton Unit and Southeast Hamilton Creek Unit. These applications stated that the anticipated commencement date for construction activities within these areas was June 1, 2005. On August 9, 2005, EnCana submitted its application for coverage under the General Permit for the Paradox Basin area. EnCana requested that the Division replace the prior applications associated with Andy's Mesa, Hamilton Unit and Southeast Hamilton Creek Unit, since the area-wide application and certification for the Paradox Basin were intended to encompass and act as a surrogate for the prior permit certifications. This application stated that construction activities within the Paradox Basin were "existing and continuous," which reflected the fact that construction activities within Andy's Mesa, Hamilton Unit and Southeast Hamilton Creek Unit had previously been permitted. In its August 9, 2005 application, EnCana estimated that the total area of the Paradox Basin was approximately 520,000 acres, of which EnCana estimated that approximately 4.7 acres per well site (including access road), and approximately 10.9 acres per mile of pipeline segment, would undergo disturbance.
22. With respect to the alleged findings in paragraph 14 above concerning the implementation and/or maintenance of functional BMPs at the Paradox Basin Field, EnCana states as follows:

- a. At the time of the Division's inspections, berms were in place at the perimeter of all of EnCana's well-pad sites, which were effectively preventing off-site sediment transport from soil stock piles and other potential sources on the well pads. This was confirmed by the Division's inspection report, which stated that there was no evidence of offsite transport of sediment reaching State waters from any of the inspected Paradox Basin locations. Since the Division's inspections, EnCana has implemented additional BMPs to stabilize its soil stockpiles.
  - b. At the time of the Division's inspections, access roads within the Paradox Basin Field were stabilized with gravel, and road ditches were equipped with occasional wing ditches. This was confirmed by the Division's inspection report. Since the Division's inspections, EnCana has enhanced the stabilization of its roadway slopes and ditch lines using cobble, seeding and/or matting.
  - c. Sediment observed by the Division's inspector surrounding the hay bales at Compressor Station #2 was soil displaced during the installation of the bales themselves.
  - d. At the time of the Division's inspections, berms were in place at the perimeter of all of EnCana's well-pad sites, which were effectively preventing off-site sediment transport. Other non-structural BMPs employed at the time included: minimizing surface disturbance, locating well-pad sites to minimize long-term disruption of surface resources, and employing appropriate construction procedures. Since the Division's inspections, EnCana has enhanced the stabilization and erosion control measures employed at its well-pad sites.
  - e. The Division's inspection report did not include any findings concerning alleged tracking of sediments from any Paradox Basin facilities. To the extent that any sediment was being tracked by vehicles from the inspected locations, it would have been tracked onto EnCana's access roads, which were graveled and equipped with drainage ditches and other appropriate BMPs. Thus, there was no reasonable potential for off-site tracking of sediment or discharge to State waters.
  - f. The conditions observed during the December 19, 2005 and January 4, 2006 inspections did not cause, were not associated with, and did not have the reasonable potential to cause or contribute to a "discharge of pollutants" as defined in §25-8-103(3), C.R.S., and the alleged violations did not contribute to the pollution, contamination or degradation of State waters.
23. With respect to the alleged findings in paragraph 18 above concerning the performance of stormwater inspections at compressor stations, tank farms, pipelines and access roads, EnCana states that the access roads leading to EnCana's well-pad sites were being routinely evaluated to verify that the roads were graveled; off-site soil tracking controls were in place; and site integrity at compressor stations, tank farms, pipelines also was being periodically evaluated. Inspection documentation forms have been modified to include access roads, tank farms, pipelines, compressor stations, and meter house stations.

24. Since the issuance of the NOV, EnCana has reviewed its internal procedures, conducted stormwater training sessions for its employees and taken additional steps to ensure timely compliance with Permit requirements. EnCana is deeply committed to maintaining compliance with all applicable stormwater permitting requirements, as well as all other state and federal regulations which apply to the oil and gas industry. EnCana has invested substantial time and resources, both before and since the issuance of the NOV, to diligently ensure such compliance.
25. The Division does not agree with or accept any of EnCana's positions on the alleged violations described or referenced herein.

### **ORDER AND AGREEMENT**

26. Based on the foregoing factual and legal determinations, pursuant to its authority under §§25-8-602 and 605 C.R.S., and in satisfaction of the alleged violations cited herein, the Division orders EnCana to comply with all provisions of this Consent Order, including all requirements set forth below.
27. EnCana agrees to the terms and conditions of this Consent Order. EnCana agrees that this Consent Order constitutes a notice of alleged violation and an order issued pursuant to §§25-8-602 and 605, C.R.S., and is an enforceable requirement of the Act. EnCana also agrees not to challenge directly or collaterally, in any judicial or administrative proceeding brought by the Division or by EnCana against the Division:
  - a. The issuance of this Consent Order;
  - b. The factual and legal determinations made by the Division herein; and
  - c. The Division's authority to bring, or the court's jurisdiction to hear, any action to enforce the terms of this Consent Order under the Act.
28. Notwithstanding the above, EnCana does not admit to any of the factual or legal determinations made by the Division herein, and any action undertaken by EnCana pursuant to this Consent Order or previously undertaken pursuant to the Notice of Violation / Cease and Desist Order (Number: SO-060131-1) shall not constitute evidence of fault by EnCana with respect to the conditions of the Paradox Basin Field.

### **CIVIL PENALTY**

29. Based upon the application of the Division's Stormwater Civil Penalty Policy (January 25, 2007), and consistent with Departmental policies for violations of the Act, EnCana shall pay Thirteen Thousand Three Hundred Thirty Six Dollars (\$13,336.00) in civil penalties. The Division intends to petition the Executive Director, or his designee, to impose the Thirteen Thousand Three Hundred Thirty Six Dollar (\$13,336.00) civil penalty for the above violation(s) and EnCana agrees to make the payment within thirty (30) calendar days of the issuance of a Penalty Order by the Executive Director or his designee. Method of payment shall be by check drawn to the order of the "Colorado Department of Public Health and Environment," and delivered to:



Michael Harris  
Colorado Department of Public Health and Environment  
Water Quality Control Division  
Mail Code: WQCD-CADM-B2  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

### **ENVIRONMENTALLY BENEFICIAL PROJECT**

30. In addition to all other funds necessary to comply with the requirements of this Consent Order, EnCana shall pay Forty One Thousand Six Hundred Thirty Seven Dollars (\$41,637.00) in the form of expenditures on an Environmentally Beneficial Project ("EBP"), which shall be the functional equivalent of a Supplemental Environmental Project ("SEP") administered in accordance with the Department's Final Agency-Wide Supplemental Environmental Project's Policy ("SEP Policy"), in order to achieve settlement of this matter.
31. EnCana's total expenditure for the EBP shall not be less than Forty One Thousand Six Hundred Thirty Seven Dollars (\$41,637.00). The final value of the EBP will be determined in accordance with the Department's SEP Policy. The funds will be used for a project or projects, to be approved by the Division, which improve or protect the environment. EnCana's expenditure for the EBP shall not constitute an admission of liability for the alleged violations cited herein.
32. EnCana shall submit a description of the proposed EBP for Division approval no later than thirty (30) calendar days after the effective date of this Consent Order. The submittal, at a minimum, shall outline the proposed project(s), the geographical area(s) to benefit from the project(s), a description of the expected environmental benefit(s), implementation costs and a timetable for completion. In addition, the submittal shall include a certification by EnCana that, as of the date of the submittal, it is not under any existing legal obligation to perform or develop the EBP. EnCana must further certify that it has not received, and will not receive, credit in any other enforcement action for the EBP. In the event that EnCana has, or will receive credit under any other legal obligation for the EBP, EnCana shall pay Forty One Thousand Six Hundred Thirty Seven Dollars (\$41,637.00) to the Division as a civil penalty within thirty (30) calendar days of receipt of a demand for payment by the Division. Method of payment shall be as specified in paragraph 29 above. The Division reserves the right to accept or deny the EBP, or to require modifications to any provisions of the proposed project(s). If the Division denies the proposed EBP or requires modification thereof, EnCana shall develop an alternative proposed EBP for Division consideration or provide notice that the proposed EBP was modified as the Division requested within thirty (30) calendar days of receipt of written notice from the Division.
33. Upon receiving approval of the proposed EBP from the Division, EnCana shall implement the EBP in accordance with the approved time schedule. Unless otherwise approved by the Division through the EBP approval process, the EBP must be fully implemented and completed to the satisfaction of the Division by December 31, 2009.

34. EnCana shall not deduct the expenses associated with the implementation of the EBP for any tax purpose or otherwise obtain any favorable tax treatment of such payment or project.
35. In the event that the Division ultimately does not approve a proposed EBP, EnCana shall be liable for payment of a civil penalty in the amount of Forty One Thousand Six Hundred Thirty Seven Dollars (\$41,637.00). EnCana shall pay this penalty within thirty (30) calendar days of receipt of written demand by the Division. Method of payment shall be as specified in paragraph 29 above.
36. EnCana shall submit an EBP Completion Report to the Division within thirty (30) calendar days of the Division-approved completion date. The EBP Completion Report shall contain the following information:
- a. A detailed description of the EBP as implemented;
  - b. A description of any operating problems encountered and the solutions thereto;
  - c. Itemized costs, documented by copies of purchase orders and receipts or canceled checks;
  - d. Certification that the EBP has been fully implemented pursuant to the provisions of this Consent Order; and
  - e. A description of the environmental and public health benefits resulting from implementation of the EBP (with quantification of the benefits and pollutant reductions, if feasible).
37. Failure to submit the EBP Completion Report with the required information, or any periodic report, shall be deemed a violation of this Consent Order.
38. In the event that EnCana fails to comply with any of the terms or provisions of this Consent Order relating to the performance of the EBP, EnCana shall be liable for penalties as follows:
- a. Payment of a civil penalty in the amount of Forty One Thousand Six Hundred Thirty Seven Dollars (\$41,637.00). The Division, in its sole discretion, may elect to reduce this penalty for environmental benefits created by the partial performance of the EBP.
  - b. EnCana shall pay this penalty within thirty (30) calendar days of receipt of written demand by the Division. Method of payment shall be as specified in paragraph 29 above.
39. EnCana shall include the following language in any public statement, oral or written, making reference to the EBP: "This project was undertaken in connection with the settlement of an enforcement action taken by the Colorado Department of Public Health and Environment for violations of the Colorado Water Quality Control Act."

#### **SCOPE AND EFFECT OF CONSENT ORDER**

40. The Parties agree and acknowledge that this Consent Order constitutes a full and final settlement of the violations cited herein.

41. This Consent Order is subject to the Division's "Public Notification of Administrative Enforcement Actions Policy," which includes a thirty-day public comment period. The Division and EnCana each reserve the right to withdraw consent to this Consent Order if comments received during the thirty-day period result in any proposed modification to the Consent Order.
42. This Consent Order constitutes a final agency order or action upon the date when the Executive Director or his designee imposes the civil penalty following the public comment period. Any violation of the provisions of this Consent Order by EnCana, including any false certifications, shall be a violation of a final order or action of the Division for the purpose of §25-8-608, C.R.S., and may result in the assessment of civil penalties of up to ten thousand dollars per day for each day during which such violation occurs.
43. Notwithstanding paragraph 28 above, the violations described in this Consent Order will constitute part of EnCana's compliance history for purposes where such history is relevant. This includes considering the violations described above in assessing a penalty for any subsequent violations against EnCana. EnCana agrees not to challenge the use of the cited violations for any such purpose.
44. This Consent Order does not relieve EnCana from complying with all applicable Federal, State, and/or local laws in fulfillment of its obligations hereunder and shall obtain all necessary approvals and/or permits to conduct the activities required by this Consent Order. The Division makes no representation with respect to approvals and/or permits required by Federal, State, or local laws other than those specifically referred to herein.

#### **LIMITATIONS, RELEASES AND RESERVATION OF RIGHTS AND LIABILITY**

45. Upon the effective date of this Consent Order, and during its term, this Consent Order shall stand in lieu of any other enforcement action by the Division with respect to the specific instances of violations cited or referenced herein. The Division reserves the right to bring any action to enforce this Consent Order, including actions for penalties or the collection thereof, and/or injunctive relief.
46. This Consent Order does not grant any release of liability for any violations not specifically cited herein.
47. Nothing in this Consent Order shall preclude the Division from imposing additional requirements in the event that new information is discovered that indicates such requirements are necessary to protect human health or the environment.
48. Upon the effective date of this Consent Order, EnCana releases and covenants not to sue the State of Colorado or its employees, agents or representatives as to all common law or statutory claims or counterclaims arising from, or relating to, the violations of the Act specifically addressed herein.

49. EnCana shall not seek to hold the State of Colorado or its employees, agents or representatives liable for any injuries or damages to persons or property resulting from acts or omissions of EnCana, or those acting for or on behalf of EnCana, including its officers, employees, agents, successors, representatives, contractors, consultants or attorneys in carrying out activities pursuant to this Consent Order. EnCana shall not hold out the State of Colorado or its employees, agents or representatives as a party to any contract entered into by EnCana in carrying out activities pursuant to this Consent Order. Nothing in this Consent Order shall constitute an express or implied waiver of immunity otherwise applicable to the State of Colorado, its employees, agents or representatives.

### **NOTICES**

50. Unless otherwise specified, any report, notice or other communication required under the Consent Order shall be sent to:

For the Division:

Colorado Department of Public Health and Environment  
Water Quality Control Division / WQCD-CADM-B2  
Attention: Michael Harris  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530  
Telephone: 303.692.3598  
E-mail: michael.harris@state.co.us

For EnCana:

Byron R. Gale  
EnCana Oil & Gas (USA) Inc.  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202  
Telephone: (720) 876-3626  
Email: byron.gale@encana.com

### **MODIFICATIONS**

51. This Consent Order may be modified only upon mutual written agreement of the Parties.

### **NOTICE OF EFFECTIVE DATE**

52. This Consent Order shall be fully effective, enforceable and constitute a final agency action upon the date when the Executive Director or his designee imposes the civil penalty. If the penalty as described in this Consent Order is not imposed, or an alternate penalty is imposed, this Consent Order becomes null and void.


**BINDING EFFECT AND AUTHORIZATION TO SIGN**

53. This Consent Order is binding upon EnCana and its successors in interest and assigns. The undersigned warrant that they are authorized to legally bind their respective principals to this Consent Order. EnCana agrees to provide a copy of this Consent Order to any contractors and other agents performing work pursuant to this Consent Order and require such agents to comply with the requirements of this Consent Order. In the event that a party does not sign this Consent Order within thirty (30) calendar days of the other party's signature, this Consent Order becomes null and void. This Consent Order may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Consent Order.

**FOR ENCANA OIL & GAS (USA) INC.:**

 Date: October 10, 2008  
Byron R. Gale, Attorney-in-Fact

**FOR THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT:**

 Date: 10/15/08  
Lori M. Gerzina, Section Manager  
Compliance Assurance and Data Management Section  
WATER QUALITY CONTROL DIVISION